



PETZOLD'S
MARINE CENTER

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March 10, 2013

Chairman Fonfara
Chairman Widlitz
Finance, Revenue and Bonding Committee
Room 3700
Legislative Office Building
Hartford, CT 06106

Dear Chairpersons,

My name is Robert Petzold, and I own and operate a family run boat sales and service facility my grandparents started sixty-seven years ago in Portland. Our business employs over 20 full-time men and women.

I am asking for your support on Bill No. 6576, An Act Concerning the Applicability of the Sales and Use Tax on Boats. This bill has two important components, which are not only crucial to maintaining the success of my business, but also insuring potential additional revenue for the State of Connecticut. The first component stretches the current winter storage window by an **additional two months**, allowing the out-of-state boater to bring their boat into the state free of sales and use taxation. Boaters will typically start laying their boats up in October and launching them by the end of May. The current law restricts the boat owner delivery from November to April only. The additional month on either end would allow us to better solicit out-of-state boaters to Connecticut for refits and repairs, resulting in steady work for our employees and benefiting the State by providing additional revenue from payroll and material taxes. As tragic as storm Sandy was, it could have been opportunities for an economic boom in our marine repair industry her in the State of Connecticut. With so many boats damaged in New York, New Jersey and Rhode Island last fall, and the fact that these states did not have the infrastructure in place to accommodate these repairs, provided us with the perfect opportunity to capitalize, by using the resources available in our own state. Many of these boats could have come to Connecticut for repairs. More then likely these boats, which needed extensive repairs, could not have been completed during the current time allotted by the State. These time restrictions currently in place would have lead to taxation on the boat owner, and simply would not have been feasible for them to consider, leaving Connecticut's many marine repair facilities unable to compete. This portion of the bill could only benefit the State. It would serve to generate additional income, income that is currently lost from out-of-state boaters.

Our "Family's Business is Your Family's Pleasure!"

The second component of this bill, which is equally as important, would allow boats either locally owned, or out-of-state owned, to come into our state for a period, not exceeding sixty days, without fear of be subjected to a sale or use tax. This law was in existence for a long period of time, but somehow taken off the books when the state won a court case with Sharper Image, a case by the way with no pertinence what-so-ever to the marine industry. Over the last several years' boaters have been contacted by the Department of Revenue Services, notifying them of their tax obligation unless they could prove otherwise. The process of clearing yourself from possible taxation became very lengthy and expensive. As this complicated process passed through the boating community it left a bad taste in the mouths of many potential boaters coming into the Connecticut waterways. I have many of my customers calling me and expressing their concern that they cannot come into the state, as the D.R.S. is telling them that they could be subject to taxation as soon as they hit Connecticut waters. Boating is tourism. Many marinas survive by selling transient dockage, fuel and services to boaters who come from out of the state to visit. This is decreasing. The states tax policies are being learned by boaters, and are acting as a deterrent to boating in the State of Connecticut. It is mind boggling to believe the State spent millions of dollars last year on a campaign for tourism, yet we find any way possible to discourage boating in the State. It is apparent that you are encouraged to come into the state by any means...except by boat. This is totally unacceptable and must be corrected. This portion of the bill would **NOT** cost the state any additional funds; it would in actuality create income in the form of sales tax on dockage, purchases fuel, restaurants and payroll taxes along with many other forms of revenue.

In conclusion I would ask that you please take into consideration the points of this letter, I know I speak for the many Marine industries that call and would like to continue to call Connecticut home. I thank you for your consideration and attention to this Bill. I am sure that you will find its passage beneficial to the State of Connecticut as well as the marine industry.

Sincerely,



Robert W. Petzold, President
Petzold's Marine Center